

Sarossa Plc

(incorporated in Jersey with registered number 115158)

Directors:

Richard Griffiths – *Chairman*
Michael Bretherton – *Chief executive officer*
James Ede-Golightly – *Non-executive director*

Registered Office:

Ground Floor
19-21 Broad Street
St Helier
Jersey
JE2 3RR

26 September 2025

Dear Shareholder,

Sarossa Plc ("Sarossa" or "the Company") has today issued its Annual Report for the year ended 30 June 2025, a copy of which is available at the Company's website www.sarossapl.com under the Investor Centre/Financial Reports section.

Annual General Meeting

On page 31 of that Annual Report, you will find a Notice of the Annual General Meeting to be held at 11.00 a.m. on 27 November 2025 at the Company's registered office at Ground Floor 19-21 Broad Street, St Helier, Jersey, JE2 3RR.

The Notice sets out the various resolutions that will be put to the meeting as summarised on the Form of Proxy (and explanatory notes) which is enclosed with this letter for your use.

Availability of Annual Report

In the interests of cost saving and environmental benefits, the Company does not intend to send a hard copy of the Annual Report to all shareholders, but has made this document available on its website and notified all shareholders of such by way of this hard copy letter.

Shareholders who wish to receive a hard copy of the Annual Report are entitled to require a copy to be sent within 21 days of the Company receiving a request to do so. Any shareholders requiring a hard copy should, therefore, write to the Company at its registered office address shown above or, alternatively, email: office@sarossapl.com with their name and postal address and their request.

Extracts from the Annual Report

Sarossa is an investing company with an investing policy under which the directors of the Company ("the Directors") sought to acquire interests in investment opportunities offering the potential to deliver a favourable return to shareholders over the short to medium term, primarily in the form of capital gain.

However, at a board meeting of the Company on 26 September 2025, the Directors took the decision that the Company would not make any further investments and would instead pursue an orderly realisation of existing investments and a return of capital to shareholders by way of cash distributions over the short to medium term following which it is expected that the Company will be voluntarily wound up or subject to an administrative dissolution.

This is because the Directors believe that UK small-cap public markets in which Sarossa mainly invests, have changed significantly over the last few years with a continuing deterioration in liquidity, declining access to cost-effective growth capital and with current public market valuations that do not properly reflect the underlying potential of the companies involved. As a result, the Directors consider that the Company's investing strategy, with a focus to invest in the small to middle market capitalisation sectors of the UK or Europe, is no longer sufficiently attractive. In addition, the Company only has a relatively small capital base which severely limits any alternative investment strategy options available to it.

Financial Statements for the Company have been prepared for the year to 30 June 2025.

Financial Review

Sarossa reported a disappointing net loss of £(7.04) million for the year end to 30 June 2025, compared to a net profit of £9.86 million the previous year. The result included an investment return loss of £(6.27) million coupled with administrative expenses of £(0.80) million partially offset by £0.04 million of finance and other income. The prior year profit reflects an investment return gain of £10.62 million coupled with finance and other income of £0.02 million partially offset by administrative expenses of £(0.78) million.

The investment return loss of £(6.27) million comprised unrealised losses of £(6.47) million on the value of portfolio investments, inclusive of foreign exchange rate movements, together with realised investment gains of £0.06 million and dividends of £0.14 million (2024: investment return gain of £10.62 million comprised unrealised investment gains of £9.80 million, realised investment gains of £0.26 million and dividends of £0.56 million).

A large element of the Company's unrealised investment losses in the year arose on our U.S. listed Silence Therapeutics Plc investment and which largely offsets the net unrealised gains on this investment in prior years.

During the year, the Company spent £5.68 million on 4 new portfolio investments and realised cash proceeds of £5.96 million on the full disposal of 2 portfolio investments and the partial disposal of 2 others.

The Company currently holds 11 portfolio investments, 9 of which are quoted and 2 unquoted and for which the total carrying value at 30 June 2025 was £20.02 million (30 June 2024: £26.72 million represented by 7 quoted and 2 unquoted holdings).

Cash balances at 30 June 2025 amounted to £0.05 million (30 June 2024: to £0.40 million).

Net assets attributable to holders of Sarossa at 30 June 2025 were £20.09 million (equivalent to £502.75 per share) compared with £27.13 million (equivalent to £678.82 per share) at the previous year end. The decrease in net assets per share reflects the loss recorded for the year.

Subsequent to 30 June 2025, Sarossa's cash balances were strengthened by receipt of proceeds of £1.30 million from the realisation in full of its investment in De La Rue Plc in July 2025.

Key performance indicators are set out below:

	30 June 25	30 June 24
Net assets (£ million)	20.09	27.13
Net asset value per share (£)	502.75	678.82
Profit/(loss) after tax (£ million)	(7.04)	9.86
Cash and cash equivalents (£ million)	0.05	0.40

Investment portfolio update

Investment businesses in which Sarossa had and continues to hold of over 3 per cent. of the issued share capital or where the value of the investment was at least 5 per cent. of Sarossa's net asset value at 30 June 2025, comprised Silence Therapeutics Plc, Niox Group Plc, Griffin Mining Limited, Amalfi Topco Limited which holds CareTech Holdings Limited as its principal business subsidiary, Zigup Plc and IQE Plc. An overview of the activities of these portfolio investments, is provided on pages 2 to 4 of the 2025 Annual Report.

Outlook

The Board intends to pursue an orderly realisation of existing investments and a return of capital to shareholders.

The Company had net assets of £20.09 million at 30 June 2025 and this included equity investments with a carrying value of £20.02 million represented by 9 quoted investment holdings valued at £16.12 million and 2 private unquoted investments valued at £3.90 million.

Whilst an orderly realisation of the 9 quoted investment holdings should be achievable in the short to medium term, this may take longer for the 2 private unquoted investments.

The return of capital to shareholders is expected to be by way of one or more cash distributions as and when funds permit but there can be no certainty on the timing or monetary amounts of such distributions.

The Directors hope that the total value of such distributions will be not less than the Company's £502.75 net asset value per share at the 30 June 2025 year end, but there can be no certainty that the total value of such distributions will not be materially less than or be materially greater than that value.

We are reasonably confident that a number of acceptably priced selling opportunities for some of our investments will arise within the next six to twelve months.

On behalf of the Board

Richard Griffiths
Chairman